

## World's Largest Pharmaceutical Company Signs Agreement with ViaCyte for a Stem Cell Treatment for Type 1 Diabetes

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**San Francisco, CA** – It's been a very good week for San Diego based regenerative medicine company ViaCyte and a potentially pivotal week for people battling type 1 diabetes.

In yet another sign that stem cell therapies are getting much more serious attention from the pharmaceutical industry, ViaCyte Inc., has announced a major agreement with Janssen Pharmaceuticals, Inc., a Johnson & Johnson company, and its affiliated investment fund, the Johnson & Johnson Development Corporation.

Earlier this week ViaCyte got approval from the Food and Drug Administration to start a clinical trial of its treatment for type 1 diabetes. The California Institute for Regenerative Medicine (CIRM), the state's stem cell agency, has invested almost \$40 million to help develop the treatment over the past six years.

Under this new agreement Janssen and JJDC will provide ViaCyte with \$20 million with a future right to consider a longer-term transaction related to the VC-01™ combination product that ViaCyte is developing for type 1 diabetes.

"This is excellent news as it demonstrates that pharmaceutical companies are recognizing stem cell therapies hold tremendous promise and need to be part of their development portfolio," says C. Randal Mills, Ph.D., President and CEO of the stem cell agency. "This kind of serious financial commitment from industry is vital in helping get promising therapies like this through all the phases of clinical trials and, most importantly, to the patients in need."

ViaCyte's product candidate is a thin plastic pouch, containing an immature form of pancreatic cells. When the device is implanted under the skin the cells are able to sense when blood sugar is high and, in response, secrete insulin to restore it to a healthy level.

The agreement with Janssen, in addition to a recent \$5.4 million private equity financing transaction, gives ViaCyte additional capital to help them continue to develop this treatment.

"These important transactions provide us with the additional resources we need to pursue the further development of the VC-01 product candidate as a potential new treatment option for patients with type 1 diabetes," said Paul Laikind, Ph.D., President and Chief Executive Officer of ViaCyte. "We are pleased to be extending our relationship with Janssen and JJDC in this area of mutual interest."

This is the third time this year that a CIRM-funded company has signed an agreement with a larger company that could result in the infusion of hundreds of millions of dollars into their development efforts.

In January, Capricor Therapeutics signed a deal with Janssen Biotech that could ultimately be worth up to \$340 million for its work using stem cells to treat people who have had a heart attack. The same month Sangamo, who we are funding to develop treatments for sickle cell disease and beta-thalassemia, signed a potential \$320 million agreement with Biogen Idec.

"Our goal at CIRM is to do everything we can to accelerate the development of successful therapies for people in need," says Mills. "These kinds of agreements and investments help us do that, not only by adding an extra layer of funding for development, but also by validating the scientific and commercial potential of regenerative medicine."

**About CIRM:** CIRM was established in November 2004 with the passage of Proposition 71, the California Stem Cell Research and Cures Act. The statewide ballot measure, which provided \$3 billion in funding for stem cell research at California universities and research institutions, was overwhelmingly approved by voters, and called for the establishment of an entity to make grants and provide loans for stem cell research, research facilities, and other vital research. [www.cirm.ca.gov](http://www.cirm.ca.gov)

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